



ARKANSAS INTERNATIONAL TRADE DATA SUMMARY 2018

WESTERN HEMISPHERE

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ARKANSAS
UNIVERSITY OF ARKANSAS

Introduction

Arkansas has a diverse economy ranging from aerospace and defense to agriculture, tourism, retail, and services among many others. Total exports of goods for Arkansas increased by nearly 11 percent during 2017¹ to \$6.3 billion², this growth is nearly twice as large as when compared to the U.S. National Growth Rate for the same period³. This is one of the highest percentage increases in the history of the state. Trade in Arkansas supported nearly 350,000 jobs⁴, exporting to 181 countries representing approximately 26 percent of the total employed labor force in Arkansas⁵ as of June 2018.

Top Economic Sectors in Arkansas



Aerospace & Defense



Agriculture



Retail & Services

Trade-Supported Employment in Arkansas

ARKANSAS LABOR FORCE



Trade-Supported Jobs Make Up 26% of Arkansas's Labor Force

350,000 JOBS



350,000 Jobs in Arkansas are Supported by International Trade

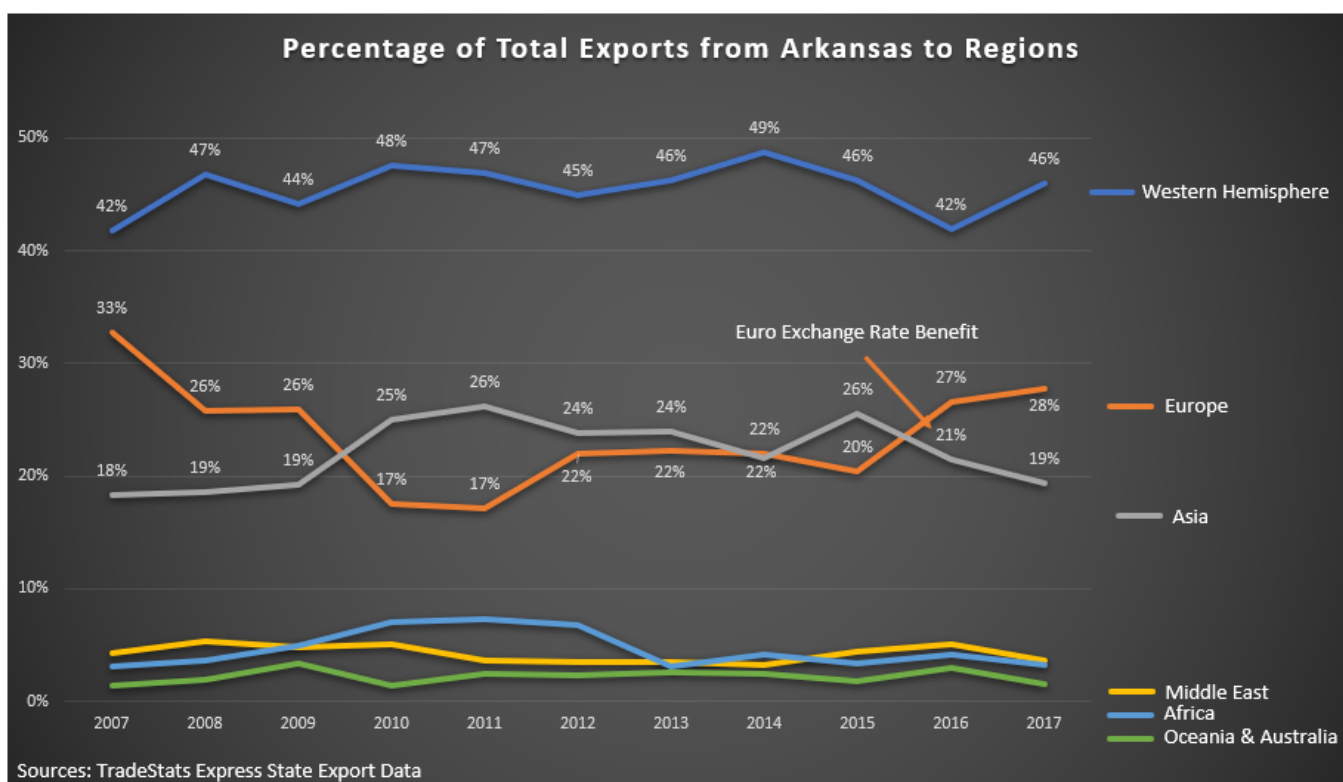
Trade Related Jobs Grew Six Times Faster in Arkansas

Trade-related jobs grew six times faster than total employment and are at large and small companies, farms, factories, and at the headquarters of Arkansas's globally engaged firms according to a report from Business Roundtable⁶.

Newly exporting firms increased employment almost four times faster than non-exporting firms⁷. Furthermore, salaries for jobs in companies that export pay up to 18% more⁸ than similar non-export jobs. Small Businesses account for 80 percent of all exporters in Arkansas⁹.

Primary Driver for Growth of Arkansas Exports

Growth in Arkansas exports was driven by a 20 percent increase year-over-year during 2017 in the Western Hemisphere¹⁰ after a steady decline in the region since 2013. According to data from the ITA's Global Patterns of State Exports report, more than 46 percent of all Arkansas exports go to Western Hemisphere countries¹¹ and 43% of all agricultural exports from Arkansas go to Canada and Mexico¹². In addition to this, a report¹³ released by Agriculture and Agri-Food Canada¹⁴ in April 2018 shows that four of the top five agricultural export countries from Arkansas are in the Western Hemisphere¹⁵.



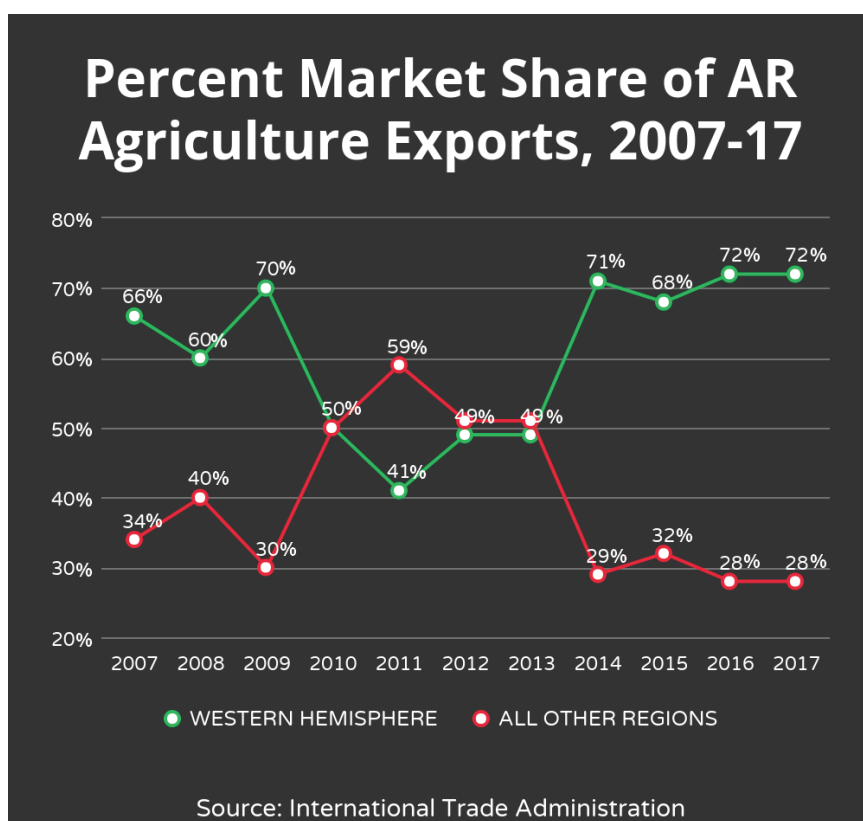
Primary Driver for Growth of Arkansas Exports (cont.)

The Western Hemisphere countries significantly outperformed all other regions both in year-over-year export growth and export market share¹⁶ (Europe YOY change driven by the Euro vs. US Dollar Exchange Rate). Arkansas farmers export over \$3 billion¹⁷ annually in agriculture products every year and 80 percent of Arkansas exporters are small businesses¹⁸. Of the more than \$3 billion in agricultural exports during 2016 and 2017¹⁹, 72 percent of all agricultural exports from Arkansas go to Western Hemisphere countries²⁰, the highest percentage in over a decade.

What are the top countries for Arkansas exports?

The increase in exports from Arkansas to the Western Hemisphere was mostly driven by Canada and Mexico's dramatic increase in imports during 2017²¹. Canada and Mexico are Arkansas's largest trading partners by billions of dollars²², and trade with the two countries supports more than 120,000 jobs in Arkansas²³.

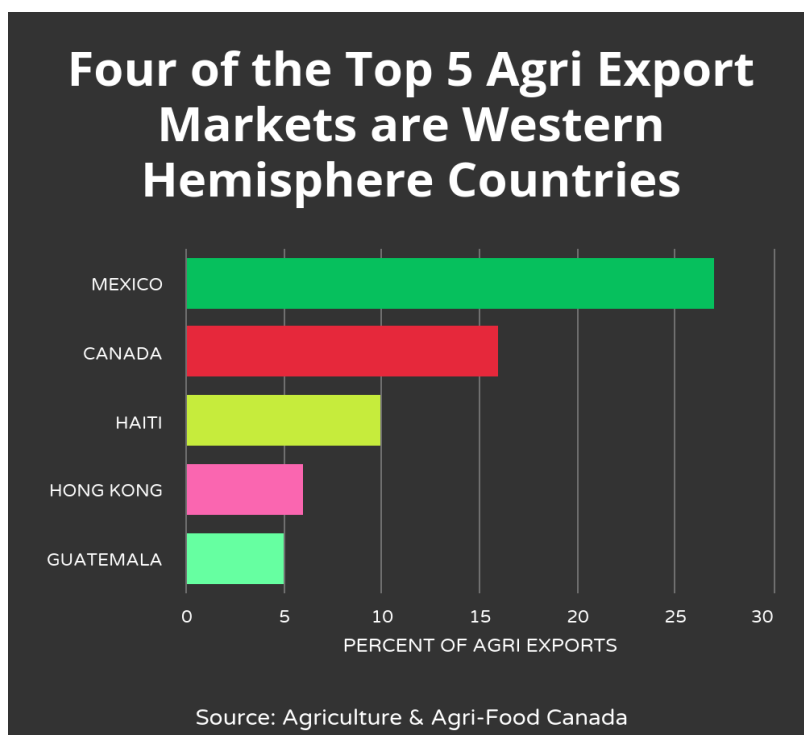
Canada is Arkansas's largest export market followed by Mexico. Arkansas exports to Canada and Mexico amounted to \$2.1 billion in goods²⁴ in 2017 and \$281 million in services in 2016²⁵, equaling 34% of all Arkansas exports²⁶, according to updated data released by the U.S. Census Bureau²⁷. Arkansas exports²⁸ nearly twice as much as it imports²⁹ from both Canada and Mexico together in goods. Additionally, Arkansas exports of goods to Canada and Mexico increased by 14 percent from 2016 to 2017³⁰. Year-over-year exports to Mexico of goods increased by nearly 24 percent from \$685 million to \$851 million³¹ and have



What are the top countries for Arkansas exports? (cont.)

grown over 710 percent since 1993³².

According to the latest data reports from the Census Bureau³³ and the Economic Department of Mexico³⁴, exports from Arkansas to Mexico in 2017 reached one of the highest points in recorded history. Arkansas exports to Mexico are increasing 2.3 times³⁵ to 3.5 times faster³⁶ than exports to any other country depending on the year. Arkansas exports to Mexico of agricultural commodities have increased by 911 percent since 1994 compared to the rest of the world³⁷ at 167 percent. This translates into an agricultural export growth rate from Arkansas to Mexico 5.46 times higher³⁸ than its agricultural export growth rate to the rest of the world.



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